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C O N F I D E N T I A L SECTION 01 OF 03 AMMAN 001804

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SUBJECT: JORDAN'S KING PREMATURELY DISSOLVES PARLIAMENTARY
SESSION

REF: A. AMMAN 1724
[1](#)B. AMMAN 1393
[1](#)C. AMMAN 137
[1](#)D. 08 AMMAN 1834

Classified By: Charge d'Affaires Lawrence Mandel
for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: King Abdullah decreed a surprise early end to the Jordanian parliament's extraordinary session, effective as of August 10. Unhappy with amendments to a comprehensive tax reform bill, the government requested the premature recess so it can regroup in the fall. The early recess also halted progress on a number of key reform bills, all of which will remain in suspension until the fall session. The senate did manage to approve an amendment package to the controversial law on associations before the end of the session. MPs see the premature recess as a betrayal. As a result, they are likely to be more hostile towards the government and its policies when parliament reconvenes in October. End Summary.

Royal Decree Ends Session Early

[1](#)2. (U) In a surprise announcement after the end of the local work week on August 6, King Abdullah decreed a premature end to parliament's extraordinary session, effective August 10. The session was previously assumed to last two more weeks, until the beginning of Ramadan on August 21. Speaker Abdulhadi Al-Majali canceled the remainder of the lower house's scheduled sessions on August 6, effectively ending any possibility that it could convene to pass bills before the royal decree took effect. The royally-appointed senate convened briefly on August 9 to pass outstanding bills from the lower house before the dissolution of the session.

Tax Law: The Last Straw

[1](#)3. (C) The government's uneasiness about lower house amendments to the complicated tax reform bill led to the decision to end the session early. Contacts in the government tell us they were unhappy with lower house changes to the tax rate on banks and agriculture in particular. The bank tax, which the government wanted to lower from 35 percent to 25 percent, was kept at the higher rate by MPs who saw the cut as an unnecessary reward for already wealthy corporations. MPs also rejected the government's suggestion of a USD 70,000 floor for taxes on agricultural income. Some lower house members wanted to raise that figure, while others favored no taxes on agriculture at all. Rather than attempt to undo these amendments in the royally appointed senate or explain its reasoning to a recalcitrant lower house, the government decided to request an early end to the session from the King.

[1](#)4. (U) When parliament is out of session, the government has the power to implement laws by decree as provisional laws. These statutes remain in effect until they are voted on by

parliament in a subsequent session. Past governments have used provisional laws to sidestep parliamentary scrutiny on complicated or controversial legislation, and the early end of parliament's session immediately provoked speculation that the tax law would be implemented as a provisional statute (Ref D).

15. (C) Contacts in parliament do not expect that the government will implement the tax law or any other half-finished bills as provisional laws. MPs told us that implementing the tax law as a provisional statute would be a "big mistake" and a "very provocative" snub against a parliament already up in arms about the early end to the session. Parliamentarians believe that the government will use the hiatus between now and the October start of the regular session to revise the mammoth bill and explain its intricate provisions. Contacts expect that a clean bill will be presented to them in the ordinary session which better reflects the political concerns raised by MPs on the floor through the amendment process.

16. (C) Governmental contacts, on the other hand, tell us that they are considering the option of implementing the bill directly as a provisional law regardless of the political implications. A contact in the Prime Ministry's Legislative and Opinion Bureau, which is tasked with writing and vetting all of Jordan's laws before they are sent to parliament, said that the government has essentially abandoned the parliamentary option for the tax law in recognition that it will never pass in the desired form. The Secretary General of the Ministry of Finance confirmed that the government is keeping the option of a provisional law on the table, but

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sees it as a politically unpalatable option.

Parliament, Interrupted

17. (U) The early dissolution of parliament's extraordinary session leaves a large number of important bills half done. In addition to the tax bill, the Lower House was unable to consider major changes to the Social Security Law, Penal Code, and parliament's bylaws before the session was cut off. These laws, along with several minor statutes, were midway through the committee markup process when the royal decree ended the session. Since the full texts of these bills never made it to the floor, they will likely remain in suspension until the October ordinary session.

18. (SBU) Of the 30 pieces of legislation sent to parliament by the government in June, only twelve were passed by the lower house. Most of these were relatively uncontroversial bills which were rubber stamped with little or no debate. The only major piece of legislation that made it through parliament before the session's dissolution was the Landlords and Tenants law, a significant reform of Jordan's real estate laws that had been in the works for some time (Ref C). The laws passed by the lower house and the senate before the early end of the session include:

- Petra Tourist Authority Law (Passed with minor amendments)
- Landlords and Tenants (Passed with major amendments. The lower house rejected the government's longer timeline for implementation, setting 2010 as the first of a five year phase-in period for renewal of real estate contracts.)
- Universities Law (Passed without amendment)
- Higher Education and Scientific Research Law (Passed without amendment)
- Housing and Urban Development Law (Passed without amendment)
- 2002 Provisional National Manufacturing Authority Law (Rejected as requested by the government)
- Welfare Culture Law (Passed with a major amendment which lowered the "culture tax" on media advertising from five percent to one percent. The amendment was the result of a

compromise with the senate -- see Ref B.)
-- Immovable Property Law (Passed without amendment)
-- Reform and Rehabilitation Centers Law (Passed without amendment)
-- Oil Shale Agreement (Passed without amendment)
-- Criminal Procedure Law (Passed without amendment)
-- Law on Associations (Passed with major amendments, see below)

Law on Associations

¶9. (U) One of the bills approved by the senate in its final August 9 session was a package of amendments to the controversial Law on Associations. At issue was a change suggested on the floor of the lower house that would restrict the operations of non-Muslim charities in Jordan to Christian organizations from denominations recognized by the state (Ref A). The senate had argued that the change was unconstitutional as parliament does not have the power to set which religions or denominations are recognized by the state, and sent the bill back to the lower house. The lower house insisted on the change, returning the bill to the senate untouched.

¶10. (C) In a surprising reversal, the senate then voted to approve the lower house's change. Senate contacts tell us that regardless of the constitutional issues involved, the lower house restriction on non-Muslim charities reflected "the situation on the ground," and would have little practical impact. (Comment: The unintended consequences of this move may actually be widely felt. Embassy will follow up septel. End Comment.)

We Are Not Amused

¶11. (C) MPs were unpleasantly surprised by the government's move and considered it a betrayal. Following an ambitiously large set of bills that was finalized and sent to parliament only one week before the start of the session, several MPs had been telling us for some time that they would not be able to complete the government's agenda in time for the end of the session. Even so, they believed that the lower house had until the start of Ramadan on August 21 to finish off as many bills as it could reasonably get through. Following intense work on the committee level throughout June and July, parliament had taken to daily meetings in order to pass as many bills as possible before the end of the session.

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¶12. (C) For our contacts in parliament, the premature end of the session is proof that the government is set on implementing its agenda without any regard for Jordan's democratic institutions. Many came into the session intent on challenging the government's policy mandate and asserting the legislature's meager powers (Ref B). By dissolving the extraordinary session in the middle of a substantive debate of national importance, MPs feel that the government is using desperate measures to reverse the growing opposition to its policies.

Media Reaction

¶13. (U) Media commentaries on the early end to parliament's session were surprisingly balanced. Despite a string of recent editorials and news pieces dedicated to highlighting parliament's unpopularity, many articles faulted the government for not presenting bills on time and offering an inadequate defense on the floor of parliament. Several editorials and articles painted the implementation of the tax law as a provisional statute as unnecessary.

Comment

¶14. (C) Unable to effectively wield its power in the halls of a legislature designed to rubber stamp its policies, the government is trying to buy time rather than advance a cogent political argument in its defense. The government's political strategy seems to rest on its ability to finesse MPs into implementing their agenda. Dissolution of the session could have the opposite effect. When parliament reconvenes in October, the government will face the same political problems, only with a legislature whose trust it has violated.

Mandel